

**HOLLYWOOD PROPERTY OWNERS ALLIANCE
BOARD OF DIRECTORS**

**Minutes
Thursday, April 17, 2014
W Hotel – Strategy Room**

Officers and Directors Present

John Tronson, President, Tronson Investment Group
Jan Martin, Secretary, AMDA
Drew Planting, Treasurer, GPI
David Benavente, Shine America
Charlie Colletta, HEI, LLC.
Mark Echeverria, The Musso & Frank Grill
Chad Lewis, Klein Financial Corporation
John Lyons, Vice President, Avalon Hollywood/Bardot
Frank Stephan, Clarett West Development
Mark Stephenson, Hollywood United Methodist Church
Monica Yamada, CIM Group, Inc.

Absent

Leslie Blumberg, The Fonda
Joseph D'Amore CRC Entertainment Inc.
Michael Gargano, Argent Ventures, LLC
David Green, Nederlander Organization
Galo Medina, Comprehensive Financial Services
Don Mushin, Toyota of Hollywood
Frank Stephan, Clarett West Development

Consultants

Sarah Besley, Executive Director
Ginnie Gallo, Hollywood Property Owners Alliance
Kerry Morrison, Hollywood Property Owners Alliance
Joseph Mariani, Jr., Hollywood Property Owners Alliance
Devin Strecker, Hollywood Property Owners Alliance

Guests

Bobby Shriver, Candidate for County Supervisor District 3
Yeghig Kesishian, Office of Mayor Eric Garcetti
John Novak, Camden Project
Fabio Vasco, CPA
Nick Boles, Hollywood Property Owners /Coro Fellow

I. Call to Order

The meeting was called to order by Board President John Tronson at 4:12 p.m.

II. Open Forum

- John Hrovat invited board to Camden ground breaking celebration, Friday, May 2, 2014.
- Yeghig Kesishian, Office of Mayor Eric Garcetti, spoke about Garcetti's proposed budget for the new year. The budget calls for increased funding to enable the city to hire additional Building & Safety inspectors, maintain LAPD staffing, and increase budgets for LAPD and LAFD. Included will be a 5.5% increase to the general fund leaving 6.7% set aside for investment. A \$2M fund will be designated for new technology. Kesishian also discussed Garcetti's desire to implement an earthquake rating system for buildings and he referenced the current partnership with Dr. Lucy Jones.
- Bobby Shriver introduced himself as a candidate for County Supervisor District 3 replacing Zev Yaroslavsky.

III. Approval of Minutes

It was moved Charlie Colletta, seconded by Jan Martin, and CARRIED to approve the minutes from the Board's March 20, 2014 meeting. Unanimously approved.

IV. Treasurer's Report – Drew Planting, Treasurer

A. 2013 Financial Review – Fabio Vasco, CPA

Fabio Vasco presented a draft of the 2013 Financial Review of the Hollywood Entertainment District. He informed the board that this is a requirement of the city contract to manage the BID. It is one step below a full audit. He reminded the board that this BID is more than half-way toward its expiration date. It was pointed out that Treasurer Drew Planting raised some good questions during the pre-review process regarding the category "assessments receivable." That led staff to prepare a report outlining the status of certain public-owned properties (e.g., school district, state of CA) that have either not paid, or not paid the entire assessment owed. Therefore, a new category is included in this report called "allowance for doubtful accounts" and it amounts to \$52,373. Staff does not have a high degree of confidence that these assessments will be paid, and therefore, they are segregated for the purposes of the financial statement. This will be the subject of ongoing research with the city.

It was moved by Mark Stephenson, seconded by Drew Planting and CARRIED to approve the 2013 Financial Review. Unanimously approved.

B. March 31, 2014 statement

Drew Planting presented the March financial statement. There were no major variances this month. At current pace of projected revenues and expenses, it is expected there would be approximately \$487,198 of cash on hand at year end. **It was moved by Mark Stephenson, seconded by Drew Planting and CARRIED to approve the March 31, 2014 financial statement. Unanimously approved.**

C. Delinquent assessments arising from LAUSD parcels and State of CA (courthouse property)

Staff distributed to the board a packet of materials documenting the assessment history with respect to public/government parcels in the BID. The packet included communications from the state Judicial Council relative to the courthouse property on Hollywood Boulevard, and the LAUSD policy on paying BID assessments. The spreadsheet documents outstanding nonpayment of assessments totaling \$187,973. However, of that amount, staff feels that \$135,600 will be paid, but \$52,372 is questionable. It was pointed out that LAUSD is only paying a percentage of their assessment; that has been the case for about 10 years. However, with the recent assertion by the state Judicial Council that they should receive a discount similar to LAUSD, or be exempted altogether, this is becoming a “slippery slope.” The action plan discussed with the board involved seeking City Clerk and/or City Attorney engagement on the state non-payment issue. Staff is also going to check with other BIDs regarding their experience with LAUSD parcels.

D. CPI increase discussion to be discussed at the May 2014 board meeting

Staff reported that the last CPI increase was levied in 2010-11. The board will have an opportunity in May to discuss whether to levy an increase applied to the 2014-15 year. A question was raised as to when assessments for new building square footage are levied on new development. There was some confusion as to whether the property would be assessed at the state of the temporary certificate of occupancy or certificate of occupancy. Staff will check into this and report back.

V. Old Business

A. AB 2618

The legislation crafted by the CA BID Coalition, and sponsored by Assembly Speaker John Perez, is scheduled to be heard in front of the Local Government Committee in Sacramento on April 30, 2014. Sarah Besley is scheduled to attend.

VI. Committee and Activity Reports

A. Marketing and Communications – Jan Martin and Devin Strecker

1. Coro Fellow Projects – Nick Boles reported on the two projects he has been working on during his five-week internship with the Hollywood Entertainment District.
 - a. Hollywood Gateway – Boles has organized a list of stakeholders within the area called the “Hollywood Gateway” (east of Gower to the 101 Fwy). This is in preparation for a May 22, 2014 walking tour and luncheon. The purpose is to introduce the neighbors to each other, learn about the properties and begin to discuss a vision for that section of Hollywood Blvd.
 - b. Hollywood Music Festival – Boles has been preparing some foundational information to help the Marketing Committee further explore the possibility of organizing a music festival in Hollywood. He has documented venues in the BID, and other potential sites where musicians could perform. He has looked at other successful festivals, and

researched whether they are profit or non-profit. There is another meeting of the Marketing Committee scheduled for Wednesday, April 23, 2014 to further discuss.

2. “Only in Hollywood” website – Devin Strecker

The PR firm Haines & Co. is working on the website which will launch in one (1) to two (2) months. The content will include interesting articles and staff-generated blogs about Hollywood. Also, included will be new BID website pages.

3. Hollywood Development & Investment Map – Joe Mariani distributed a draft of a map that has been in the works for a couple months. It is intended to be a collateral piece to showcase the positive investment momentum in Hollywood. It documents Hollywood developments dating back to 2000 and documents total investment in Hollywood of \$4.7B.

B. Security

1. Alcohol Sales Moratorium – Kerry Morrison

Morrison reported that CVS Pharmacy, Playboy Liquor, and 7/11 near Cahuenga and Hollywood have stopped selling their cheapest liquor product for the month of April. This month’s experiment will tell if this affects the arrest numbers for drinking in public infractons. Hollywood has second highest number of arrests for public drunkenness in the city, only behind Skid Row.

C. Streetscape and Planning – Mark Echeverria/Sarah Besley

1. CleanStreet Maintenance Contract – Mark Echeverria/Sarah Besley

In March the Board authorized staff to negotiate a Services Agreement with Clean Street. This was based on the recommendation of the Selection Committee who conducted a 5-month competitive bidding process. The proposed Services Agreement, distributed to the board, was reviewed by Attorney Jeff Briggs and reflects the contract amount of \$1,022,000 annually. This is the same amount as in 2013. One material change in the agreement is the use of the term “services” as opposed to “maintenance” to reduce ambiguity and not imply duty or control of the public realm. Staff will amend the contract to refer to the maximum monthly cost as opposed to yearly, as the contract begins on May 1st, five months into the year.

It was moved by John Tronson, seconded by Mark Echeverria, and CARRIED to approve the prorated maintenance agreement with CleanStreet effective May 1, 2014 and ending December 31, 2018.

2. Carr Settlement – Sarah Besley

Staff received notice from our attorney, David Gruen, that the city council approved their allocation in the settlement. All parties are now awaiting a revised copy of the agreement.

VII. New Business

A. Seismic Messaging

Kerry Morrison briefed the board on recent developments. The Mayor's State of the City address revealed his desire to create a system of rating buildings for earthquake safety on a scale of A to E. Dr. Lucy Jones, on loan to city of LA for one year from the USGA, is encouraging the city to begin planning for resiliency after a major earthquake. Morrison attended a briefing just that week where Dr. Jones focused upon the San Andreas Fault. The San Andreas Fault has not produced an earthquake in 300 years. The average time between earthquakes on that fault is 150 years, so southern California is overdue. With a major quake, Los Angeles could be without power, communications, and water. The major concern is water which could be disrupted for six (6) to eight (8) months. Additional information is at "The Great Shakeout" website. Dr. Jones is anxious to hear more from property and business owners, so that her recommendations to the Mayor include everyone's point of view. Morrison shared a rough draft of a potential public statement by the HPOA on this issue which could also guide staff participation in public hearings that will occur this summer. Jan Martin and Monica Yamada agreed to work with Morrison to refine the statement and craft it into a letter to the city. Comments and questions asked at the meeting include:

1. Who does the building ratings and will they have the same standards across the board?
2. What about the smaller buildings that don't want to make the necessary adjustments?
3. We need to participate in order to come up with solutions.
4. We have to educate our property holders.
5. At what point would people leave the city after a major disaster instead of rebuilding?

VIII. Staff Report

A. Central Hollywood Neighborhood Council Elections – Kerry Morison

An April 4, 2014 letter from 312 Central Hollywood Neighborhood area stakeholders challenges the elections for Central Hollywood Neighborhood Council (CHNC). The letter requests that "a new election be scheduled" due to eight (8) noted challenges which were listed.

B. Construction Coordination Meetings – Sarah Besley

Staff has helped to bring neighbors together on three occasions to discuss construction impacts related to Camden project. Major concern is the proposed 24-month elimination of eastbound lanes on Selma between Vine and Argyle. There is also a lack of bus parking for Palladium events, which may be mitigated by designating El Centro as a "local access" street until Kilroy construction is completed. Metro is currently researching whether they can reroute busses to Gower instead of El Centro to accommodate this.

C. Ideas for Strategic Planning Meeting 2014

No recommendations at this time. John Tronson & Morrison are discussing.

D. Report from the Chamber Retreat – Palm Springs

Joe Mariani reported that he attended the recent Hollywood Chamber Retreat. At the retreat, the LA Tourism and Convention Board shared some preliminary findings from a recent survey the conducted of Hollywood Visitor. In the survey the main complaints received were regarding the availability of parking and the cleanliness of the area. After much discussion and analysis

the Chamber Board proposed that the three initiatives they would work on this year in Hollywood were as follows: 1-Parking/Mobility, 2-Engaging in collaboration efforts with the Hollywood community and existing political staff to bring all sides to the table, and 3-Economic Development.

X. Next Meeting: The next meeting May 15, 2014.

XI. Adjournment: The meeting was adjourned at 6:30 p.m.